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CENTRAL INTELLIGENCE AGENCY

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1. The rising discontent of workers within Czechoslovakia is manifested by a marked rise in the number of refugees entering Camp Valka during August 1951, of whom a large part were young workers in Czech industry and agriculture. During August 160 refugees entered the camp. The causes for their disaffection are still largely economic rather than representative of substantial political disagreement with the regime. Communist pressures to "strengthen norms", work on Saturdays, attend meetings, and work on volunteer brigades, in addition to the occasional withdrawal of extra ration privileges result in smaller take-home pay which then has to be applied against shorter supplies and higher prices for consumer goods. A textile machinist [redacted] pay after deductions now amounts to 3,800 Kcs per month as compared to 7,000 Kcs per month one year ago.

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2. Among agricultural workers a similar discontent results from specific economic difficulties and broken promises of the government. As much as 40 percent of the grain is still unharvested in some areas because the harvesting machinery has not arrived on the collectives and the workers are reluctant to return to hand techniques on the larger acreages now involved. The Government has stopped publishing harvest progress reports by district as a sour to competition because of the serious lag in the harvest.

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[redacted] the livestock population is below normal because of illegal slaughtering and poor feed prospects. Cattle in the Kladno area are on dry feed three months earlier than usual. These examples seem to confirm the fact that the discontent of the workers should be considered as specific complaints and not as indicating political dissatisfaction with the regime. A vast majority of the workers will continue to use the regime as a rallying point and will be willing to accept at face value new promises by the Government.

3. The long-standing struggle between President Klement Gottwald and Communist Party Secretary Rudolf Slansky was resolved on 7 September by the emergence of Gottwald in control of the power positions of the Czech Communist Party. Together with the dismissal of Deputy Secretary General Bedrich Geninder and Josef Frank, Deputy Secretary of the Communist Party Central Committee, this development represents a serious setback for the Cominform. Because such action could hardly be uncoordinated with the Kremlin, the Soviet Government must have made the severely realistic decision that the communization of Czechoslovakia

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can only make progress by rallying around the known symbol of Gottwald and by paying respect to nationalist factors and subordinating the important influence of the internationalists and the hated Sudeten Germans Ceminder and Bruno Koehler. Economic difficulties seem to have created a desirable atmosphere for personnel shifts without an outright purge. Previous indications showing the trend of developments which came to a head on 7 September included: [redacted] 50X1-HUM
 [redacted] Evzen Urban, the Minister of Social Welfare, was interested in a foreign assignment for "health reasons" [redacted]
 [redacted] Jan Smrkovsky, formerly a rising light in the Ministry of Agriculture, was imprisoned not for "malfeasance and espionage", but really for the failure of the collectivization drive; [redacted] Premier Antonin Zapotocky was apologizing to intimates for the speed of the collectivization and for the terror; continuing [redacted] overall economic discontent in the country. 50X1-HUM

4. The influence of Deputy Premier Zdenek Fierlinger in the Government is still strong, in spite of the fact that he does not figure ostensibly in the Communist Party. Fierlinger succeeded recently in obtaining the release from prison of several former Social Democrats suspected of underground activities. The extent of second echelon purges is now coming to light, especially in regard to figures in the civilian and military security services. It appears that General Bedrich Reicin, Vladimir Clementis, Ota Sling, Vilem Novy, Jindrich Vesely, Arthur London and Smrkovsky represent only the heads of considerable individual empires which have toppled. There is no indication that the exile leadership is exciting any interest among non-Communists within Czechoslovakia other than a disillusionment over their inability to get together. 50X1-HUM
5. Normal firing practice and maneuvers are being held this summer. Except for the appearance of Soviet jet aircraft, Soviet-type insignia and the pressure toward the use of Soviet training methods and tactics, no new developments are observable in the Czech army. Materiel is still in confusion. The officer corps is still not completely purged. The regular call-up of conscripts on 1 October 1951 should increase the rate of escapes to the American Zone of Germany.

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